



### Central America Free Trade Agreement (CAFTA)

The United States (U.S.) has concluded a Free Trade Agreement with four Central America Countries (El Salvador, Guatemala, Honduras, and Nicaragua) after negotiations began last January. Costa Rica indicated that they needed to under take further consultations at their capital before consultations can continue. Some of the disagreements Costa Rica had with the U.S. concerned pork tariffs, telecommunications and insurance. Negotiations will continue with Costa Rica in January, 2004 and the U.S. will also start negotiations with the Dominican Republic early next year and try to bring them into CAFTA before Congress acts on the agreement.

CAFTA countries already enjoy duty free excess to the U.S. for a majority of their products through trade preference programs, except for textiles and sugar. Under CAFTA, it would take up to 18 years for tariffs on U.S. poultry exports to disappear. The long time frame is because negotiators wanted to protect the U.S. sugar market from Central American imports.

Some observers have noted further work needs to be done to ensure these countries recognize the U.S. meat inspection system and implement transparent import procedures. With an election year on the horizon, concerns are being expressed from Congressmen about labor issues, textiles and increased sugar imports in response to this agreement. The CAFTA draft text will be released in January, 2004.

Source: Various News Sources

### U.S Poultry Meat Exports to Proposed CAFTA Countries (Metric Tons, January-October)

	1999	2000	2001	2002	2003		1999	2000	2001	2002	2003
GUATEMALA	17,351	23,600	29,294	37,370	48,785	NICARAGUA	782	900	469	497	641
HONDURAS	921	1,370	1,645	1,599	2,817	EL SALVADOR	91	1,137	54	23	68
COSTA RICA	89	384	551	847	1,148	DOMINICAN REPUBLIC	6,699	6,426	4,947	3,584	1,858
						<b>TOTAL</b>	<b>25,933</b>	<b>33,817</b>	<b>36,960</b>	<b>43,920</b>	<b>55,317</b>

Sources: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

### U.S Egg Products Exports to Proposed CAFTA Countries (Metric Tons, January-October Cumulative Comparisons)

EGG YOLKS DRIED	1999	2000	2001	2002	2003	BIRD EGGS, DRIED	1999	2000	2001	2002	2003
COSTA RICA	30	3	4	5	3	COSTA RICA	0	0	0	50	102
EL SALVADOR	0	22	0	0	0	HONDURAS	0	0	0	0	0
HONDURAS	0	0	0	38	0	EL SALVADOR	0	0	2	1	2
GUATEMALA	0	0	0	0	0	GUATEMALA	0	0	1	0	0
DOMINICAN REPUBLIC	20	36	10	0	0	DOMINICAN REPUBLIC	15	5	9	8	4
Total	50	61	14	43	3	Total	15	5	12	59	108
EGG YOLKS						BIRD EGGS, NOT DRIED					
COSTA RICA	247	191	139	181	216	COSTA RICA	26	31	11	24	6
EL SALVADOR	57	0	23	82	18	EL SALVADOR	0	0	0	80	0
HONDURAS	44	92	55	18	2	GUATEMALA	0	3	0	0	0
GUATEMALA	2	0	29	0	0	HONDURAS	0	0	0	2	0
DOMINICAN REPUBLIC	2	0	0	0	0	DOMINICAN REPUBLIC	0	0	0	0	2
Total	352	283	246	281	234	Total	26	31	11	106	8
						<b>GRAND TOTAL</b>	<b>443</b>	<b>380</b>	<b>283</b>	<b>489</b>	<b>355</b>

Sources: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

### Mexico – A Turkey Emphasis

The Mexican poultry industry is anticipating to export poultry to the U.S. in 2004. The U.S. Embassy had indicated to Mexican producers that by December 15, 2003 the USDA will send a team to visit and inspect poultry plants in Yucatan and Jalisco. If the plants are approved, the slaughter system in Mexico will be equivalent to the one in the United States. Some are also anticipating three poultry processing plants to be authorized to export to the U.S. during the first half of 2004. The plants, located in Yucatan, Neuvo Leon, La Laguna and Chihuahua, are expected to receive the same recognition status the USDA gave Sonora and Sinaloa in 2000 for being free of phytosanitary poultry diseases.

The USDA has recognized Sonora and Sinaloa as free of avian diseases. Increased interest is being noted by some turkey processors in Mexico located in approved export areas to the U.S. The best possibilities being considered are the Latin population with good purchasing power and who knows the Mexican brands. The exportation would depend on the validation process of the Mexican slaughtering system USDA will conduct in December 2003. The population has demonstrated growing tendencies towards fresh poultry. The increased interest in exporting to the U.S. has led turkey and other poultry producers to consider establishing a common market with trans-border investments in the next few years.

The increased interest from Mexican turkey producers in exporting to the U.S. comes at a time when per capita consumption in Mexico has dropped 2 kg. Even though Mexico expects it's self to consume 172,000 metric tons (MT) of turkey in 2003 out of which 13,163 MT will be supplied by domestic production, there is an over supply of product. Some of the over supply has come from productivity improvements this year.

Producer organizations in both the U.S. and Mexico, meanwhile, are exploring possibilities of uniting for export purposes in order to become more effective exporters and to face challenges together that other countries present, for example Brazil.

Sources: USDA/FAS and various other news sources.

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending December 13, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	358	258	16,883	20,046
Frozen	0	0	96	21
Dried	0	32	559	835
Total	358	290	17,538	20,902

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

	Week Ending December 13, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	62	80	5,418	5,998
Frozen	95	78	3,699	3,373
Dried	40	80	1,292	5,123
Total	197	238	10,409	14,494

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending December 13, 2003		Year-To-Date	
	2003	2002 /1	2003	2002
Jumbo	33	17	603	1,623
Extra Large	2,940	2,505	39,978	52,602
Large	6,430	7,653	141,492	154,443
Medium	2,432	1,424	68,103	50,377
Ungraded	1,560	11,160	182,412	367,975
Misc	0	0	14,642	14,017
Total	13,395	22,759	447,230	641,037

Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

<b>CHICKEN</b>	19-DEC-2003			
	PRICES		VOLUME	
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

	PRICES		VOLUME	
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	20.00	14.00	203,200	-
WTD AVERAGE	20.00	14.00		
15-20%				
RANGE	12.00-14.50	10.00-15.00	1,399,600	1,012,800
WTD AVERAGE	13.10	11.43		

20% OR MORE

RANGE - - - -

WTD AVERAGE

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 6-Dec-03

(PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,379	1,292	2,671
LAST WEEK	1,399	1,437	2,836
SAME WEEK YR AGO	1,829	1,342	3,171
TO-DATE/2003	70,637	69,802	140,439
TO-DATE/2002	86,691	70,695	157,386

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	241	3	244
LAST WEEK	250	4	254
SAME WEEK YR AGO	168	0	168
TO-DATE/2003	10,691	148	10,839
TO-DATE/2002	14,959	290	15,249

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,620	1,295	2,915
LAST WEEK	1,649	1,441	3,090
SAME WEEK YR AGO	1,997	1,342	3,339
TO-DATE/2003	81,328	69,950	151,278
TO-DATE/2002	101,650	70,985	172,635

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

<b>CHICKEN</b>	19-DEC-2003			
	PRICES		VOLUME	
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

	PRICES		VOLUME	
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.50	16.00	374,000	320,000
WTD AVERAGE	15.50	16.00		
15-20%				
RANGE	18.00-19.00	11.00-14.50	1,580,000	364,000
WTD AVERAGE	18.29	12.01		

20% OR MORE

RANGE - 11.00 41,000 -

WTD AVERAGE 11.00

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 19 DECEMBER 2003.

The white meat undertone was mostly steady going into the holiday time period. Demand light. Offerings light to fully adequate and held with varied degrees of confidence. The undertone on tom wings was steady to weak, steady at best on tom drums and steady to fully steady on tom necks. Demand light to fair. Offerings of tom wings were adequate to ample, tom drums adequate to fully adequate and tom necks light at best. The undertone on 4-8 lb. breasts was steady to barely steady. Inquiry light. Offerings uneven. Trading centered on a fair volume of frozen destrapped tenderloins, balance slow. Grade A 8-10 lb. basted breasts traded at 90 cents delivered domestic. Frozen thigh meat +45 days age traded at 80 cents delivered export.

**FRIDAY, DECEMBER 19, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	40.00-42.00		41.10	200	41.11	362
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/	16.00		16.00	80	15.18	488
THIGH MEAT - FROZEN	85.00-86.00		85.33	120	85.60	200

**THURSDAY, DECEMBER 18, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	40.00-41.00		40.50	122
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	15.00-16.00		15.58	172
THIGH MEAT - FROZEN	86.00		86.00	80

**WEDNESDAY, DECEMBER 17, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	43.00		43.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	14.50		14.50	104
THIGH MEAT - FROZEN		F	79.00	52

**TUESDAY, DECEMBER 16, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	42.20	200
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	14.50-15.00		14.70	132
THIGH MEAT - FROZEN		F	79.00	52

**MONDAY, DECEMBER 15, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	42.20	200
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	16.67	120
THIGH MEAT - FROZEN		F	79.00	52

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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